

Tax Increment Financing (TIF) District Advisory Board

10.5.07 Meeting minutes

Town Hall Board of Selectmen's meeting room

Present:

John McCormack, Chairman

Jim Dannis

George Infanti

Al Hicks

Dave Roedel

Mike Trojano

Not present :

Tom Brennan

Bill Parker, Director Community Development/TIF Administrator

Shirley Wilson, Recording Secretary

John McCormack called the meeting to order at 7:30AM.

1. Review of Agenda & Minutes

J. McCormack reviewed the agenda; there were no additions from the Board. J. McCormack then reviewed the key points of the minutes commenting on the theme of the *Milford Advantage*. J. McCormack also noted that there was no update on the Hendrix expansion. G. Infanti made a motion to accept the minutes as written and all members were in agreement.

2. Update on BROX Marketing Agreement and Efforts – Grubb & Ellis/Coldstream Associates: Jim DeStefano and Jacob Akers

B. Parker stated that Bill Drescher reviewed the draft agreement and his comments were worked into this revised document. B. Parker said that he and Jacob Akers met this past Monday to go over a lot of materials on the Brox background and barring any issues with the revisions to the contract, they're ready to go.

Jim DeStefano stated that they were close to signing the agreement and were excited about embarking on this project. There were just a couple of details to work out.

- In reference to the provision stating that the P & S agreement must be approved by town counsel, we understand that we are dealing with a municipality and there can be additional geography involved; however, on our side of the business, timeliness can be real important. We wanted everyone to be aware of this, up front.
- The second item is the provision that requires monthly reports or summaries. While reports not uncommon in this business, we do have concern with providing contact names, as confidentiality is important. There should be some leverage in discretion during the early stages and we will also need to determine how to interact with this committee. The meeting with Bill on Monday was very good and maybe he could be the point of contact to float market ideas and discuss details that are not necessarily ready for publication. Clearly we recognize that you will need to know all the parties involved and what their intentions are, prior to the P & S agreement, but we don't want to be locked in with rigidity. Also, the prospective client may not want their name put out there; your minutes are very detailed and subject to the Right-to-know laws. There can be a balance worked out as we move forward.
- Finally we need to become educated in order to market this property effectively. We have had discussion internally about this being a large tract of land without any idea of how much building area is really available. J. DeStefano then inquired if any engineering or conceptals had been conducted to show where these properties can be developed and what the highest and best use of the

land is. The market out there is slow with limited demand and an abundance of other land; we do not have much to present for Brox. Although there is a TIF incentive, the P & S process will be cumbersome and the prospective client will have to spend a relatively large amount of money just to find out if they can locate their plant on this site. An engineering study would be strongly recommended to get a handle on what can be done and to determine the use from a physical standpoint; how much building square footage and if there could be a possibility for mixed use. The reality is that we are probably not going to find even one big manufacturer to purchase the whole site, so we should think about where multiple buildings could be located. What we are seeing in Northern Massachusetts and Southern New Hampshire are the small offices mixed with some retail and commercial or even elderly housing. Jacob and I will be looking for any and all potential industrial users and turn them onto this land with the hopes that they will love it so much, they will wade right through this process. We will also pursue large regional users who may need ten or a hundred plus acres and get on their short list. Therefore, any ammunition will be beneficial as we work through this process from raw land. We will work in conjunction with staff and be proactive, keeping our eyes and ears to the ground.

J. McCormack asked the Board to respond to those three key elements.

Contract review:

J. McCormack said that this is part of a process, and we at times over the past year have gotten caught up processes; unfortunately, municipal government can be cumbersome. J. Dannis inquired what the process was now. J. DeStefano read item #2 of the agreement. *The form of any written offer or purchase or sale agreement must be approved by counsel for the Town and town administrator prior to submission to the Board of Selectmen and this protocol shall be included in the terms of any such proposal in order that the prospective purchaser will be aware of the same.* J. DeStefano said he didn't have a problem, per se, with any of that, but reiterated that this was a good time to bring up the issue of timeliness in the negotiation process. J. Dannis noted that the P & S is at the end of the decision process and he does not perceive this as a practical impediment to the deal. G. Infanti said that time is of the essence and town counsel review can be lengthy. However, if it is presented properly, it can be reviewed more quickly. M. Trojano suggested that perhaps Bill Drescher could review a basic P & S template beforehand, so there wouldn't be any technical issues with the document. D. Roedel inquired about the last time Milford sold any land. No one had an answer but G. Infanti referenced several Amherst properties. B. Parker said now would be the time to work on a process. J. DeStefano said a letter of intent to purchase or lease could be requested and have the business terms worked out prior to the formal P & S, then it could go to town counsel. This is a common negotiation tool and it doesn't bind anyone, but allows for opportunity to drop a deposit and to take the property off the market. They could come to terms and then make a recommendation to the Select Board in conjunction with the P & S. D. Roedel said the perspective buyer should be informed, up front, that they will be working with a municipality and the business terms should be worked out first, only bringing the lawyers in when needed. J. Dannis said we should offer up any route to build confidence in this process and to make us appear less bureaucratic. We want to try to be as flexible and creative as possible, although ultimately the lawyers will have to get involved to sign on the dotted line. J. McCormack added that we should try to eliminate any surprises. B. Parker said we are charting new territory here and we may have to rely on Grubb & Ellis. J. Dannis said this may be a tough sale.

Monthly reporting:

J. McCormack stated that we ultimately need to know who you are dealing with and what type of interest is out there. There can be initial contact with Bill or myself, but monthly communication is a bit of a "check and balance" to ensure something is happening. J. Dannis said that dialog with potential developers can involve sensitive matters and what we have outlined is practical. There can be two points of contact, one on staff and one as chair of this Board; you can have confidential conversations that do not become subject to public information. Staff or the Chairman could convey only pertinent

information which would achieve both your objective and ours. Ultimately you are our agent and you are acting on our behalf. J. DeStefano asked if there was a need to disclose all contacts and inquired if wording could possibly be changed to add that disclosure would be at the discretion of the chairman or town staff. B. Parker read item #3 of the contract. *Broker agrees to provide monthly summaries to the West Milford Tax Increment Financing Advisory Board on its marketing and sales activities, contacts made, companies requesting informational material, site visits, and any and all related sales activity.* B. Parker said that the wording could be revised. J. Dannis said the wording could reflect that such information is considered confidential in nature and will remain so until released at the discretion of the Board. D. Roedel said that we really should see all activity, but names can certainly be held. J. DeStefano said they would appreciate that.

Engineering:

J. McCormack said that we are on a limited budget for engineering, and a lack of engineering poses a practical issue with the Brox property. B. Parker said the real issue is not knowing what is out there. At minimum, we should get the south side done and the cost may be small enough to possibly be squeezed into the budget somewhere. This is a critical tool; we should get an estimate to determine the main buildable areas in addition to where the wetlands are. J. DeStefano noted that a conceptual should realistically be around \$5,000 to \$10,000, with information in hand. The focus should be on developable acres; conceptually based on the layout of the land, the wetlands, the elevations and the road frontage, so we can get a better idea of the land. A. Hicks inquired about the Clough Harbor report. B. Parker said we do have an agreement in place to start marking the wetlands on the north side of the by-pass, as soon as the leaves fall. J. McCormack suggested incorporating the south side at the same time. J. Dannis added that we need this to market the land effectively and this is a good time to bid for engineering services. Do we have the spending authority of the Town Administrator? B. Parker said he would get an estimate and talk to Guy. J. McCormack brought up the general condition of the property and said that there has to be ongoing maintenance such as removing the rubbish and cutting some of the foliage back. We would like it to look reasonably attractive to someone driving down the road. B. Parker said he would get a cost to clear trees and brush as well. J. Dannis asked about the size of the area to be cleared. B. Parker replied that it has not been figured out yet, but at least large enough for the views and at the entrance. J. Dannis suggested that DPW prune the trees and remove some of the debris. Discussion followed. A. Hicks asked if the Hendrix wetland issue was on paper. B. Parker said it was up to date and that is what spurred us to get our side looked at.

3. TIF District Expansion Discussion and Recommendation

B. Parker explained the existing and proposed TIF districts saying that the key to expansion is to keep within state guidelines, but to incorporate any projects currently underway that would give us tax benefits next year. The state will allow up to 1.5% of the total area in town or 248.64 acres in our case to be in a TIF District, so we can add approximately 86 more acres. B. Parker then listed properties for possible inclusion, totaling 112 acres, all with potential development over the next couple of years: Southern NH Medical Center, the vacant lot adjacent, Heritage Hill Industrial condos, the former police station site, OK Tool, Hitchiner, Hendrix, the three vacant lots on Hollow Oak Ln, Autos for Animals, Perry Fields, and Hollis Line Development. We will need to refine some of these lots or maybe some of the Brox piece. G. Infanti said it would make sense not to carry what we can't what we can't capitalize on. J. McCormack asked why we would want a larger TIF district. B. Parker said it would generate additional property tax income to help fund our infrastructure. A. Hicks said that predisposes that the sale of the land and the tax on the property we sell, gives a positive return after the infrastructure spending. B. Parker said eventually it does, after the bond is paid off. A. Hicks recalled last year's warrant article for phase I and said there will be lots of questions. J. McCormack said the voters may see this as just moving the shells around; we would be drawing money in for a project that doesn't necessarily pay for itself or stand on its own. J. Dannis said he had the same question; especially if the adjacent property needs infrastructure, and doesn't directly and substantially benefit from TIF. The

logical linkage should be a) that the property practically and substantially benefits from the infrastructure and b) ethically the project wouldn't really happen without that infrastructure. If it's going to happen anyway, you don't need TIF. J. McCormack concurred that it should be linked to the infrastructure and general support. M. Trojano said adjacent property would have the opportunity to be in the TIF with the infrastructure close at hand. Discussion followed. D. Roedel said development doesn't happen on an island, there is a rolling effect; that should be the support for our argument. That is one reason the TIF laws allow such a large area. J. Dannis asked how the additional parcels would benefit from TIF. B. Parker said they don't directly, but would benefit from access improvements; on the westerly side of Perry Rd and at the 101, Old Wilton Rd, and Market Basket intersections. More discussion followed. J. Dannis said he had uncertainty that this will pay for itself and stated that we really do need to have numbers for the press and ultimately the voters. J. McCormack inquired who we could ask for general direction on TIF expansion. B. Parker said he did not know who our best resource would be, but he could certainly contact Jack Dugan, of the Monadnock Economical Development Corporation or the Local Government Center for some answers and refine the district a little more.

4. Northeastern Partnership / NH matching funds

B. Parker confirmed that the State approved funding for up to \$1500, which leaves us short by \$1,000. Don Zizzi said not to worry about the balance, so we will fill out the form from DRED and find out later. B. Parker will ask Don for a bill.

5. Update on website development – promotion – *The Milford Advantage*

S. Wilson distributed copies of the draft template for the TIF District webpage and explained that the website will be a basic general overview of the TIF District for the general public. We still need to determine some of the logistics such as where the link will be and how we will link to Grubb & Ellis who will develop the actual marketing website. Comments and suggestions from the Board would be appreciated. J. McCormack asked if there is a list of local business available so we can show what is happening in Milford. S. Wilson said we could come up with a list and also add a link to Do-It's website that lists some of the local businesses. B. Parker added that we would link to the Chamber of Commerce and maybe show other vacant industrial properties that aren't necessarily in the TIF district. J. Dannis said this was a great start with a good deal of information; with a little polishing this will be very useful. J. Akers described the proposed Grubb & Ellis site and said they would be willing to share some of the information with the town.

6. Other business

A. Next meeting

The next meeting date was scheduled for October 26th at 7:30 AM.

B. Other

J. Dannis asked about the timeline for town meeting and said that we should work backwards to integrate the TIF expansion and any other warrant articles pertaining to the Brox land, with the Facilities and Budget committees. Periodic updates should also be given to the Select Board, especially whenever there is something significant happening. This Board is doing wonderful things and getting all that out in front of the Select Board can be very useful especially if there are decisions to be made later in the season. For example, if you are considering expansion of the TIF District, bring an overview along with the rationale to the Select Board before you go public. B. Parker said this Board could discuss warrant articles at the next meeting and maybe we should also include the Water & Sewer commission, out of courtesy. B. Parker suggested we shoot for mid November to go to the Board of Selectmen

J. McCormack asked Jacob Akers about the Grubb & Ellis marketing plan. J. Akers said they were sending the plane to do aeriels this week. J. Dannis asked what the property was being listed at. B.

Parker replied \$2M for the raw land or \$16,000 per buildable acre. J. Akers said they had no issues with the numbers.

B. Parker said LandQuest was in a few months ago with another regional developer, but he thought that development costs were scaring them away and added that we have not had any word since they changed representatives. A. Hicks noted that the access road goes right to the Hawes property and asked if it would be included in the TIF expansion. B. Parker said that was another adjustment that should be made.

The meeting was adjourned at 8:50AM.

To do items:

- ⇒ Survey access and password
- ⇒ Update on Hendrix progress
- ⇒ Website progress
- ⇒ Timetable for warrant articles for town vote
- ⇒ TIF District expansion
- ⇒ Wetlands delineation of Brox industrial property
- ⇒ Invite Cliff Harris, Chamber of Commerce president, to next meeting
- ⇒ Economic Development Self Assessment survey follow up
 - ⇒ Application timeline: Research major projects and determine average timeline
 - ⇒ Update question responses

Continuing items:

- ⇒ Brox industrial property
 - ⇒ Site presentation/clean up
 - ⇒ Tree removal quotes
- ⇒ Maintain an on-going progress file.
- ⇒ Meet with developers.
- ⇒ State support
 - ⇒ Ten year plan for access to the property
 - ⇒ Job creation within two-year periods
- ⇒ On-going contact with Land Quest.
- ⇒ Continuous revisions/updates to the Economic Development Self Assessment survey